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 as Trustee for the Malig Family Trust

**UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA**

MATIAS MALIG, AS TRUSTEE FOR THE  
 MALIG FAMILY TRUST, *Individually and on  
 Behalf of All Others Similarly Situated,*

Plaintiff,

vs.

LYFT INC.; LOGAN GREEN; JOHN ZIMMER;  
 BRIAN ROBERTS; PRASHANT (SEAN)  
 AGGARWAL; BEN HOROWITZ; VALERIE  
 JARRETT; DAVID LAWEE; HIROSHI  
 MIKITANI; ANN MIURA-KO; MARY AGNES  
 (MAGGIE) WILDEROTTER; J.P. MORGAN  
 SECURITIES LLC; CREDIT SUISSE  
 SECURITIES (USA) LLC; JEFFERIES LLC;  
 UBS SECURITIES LLC; STIFEL, NICOLAUS  
 & COMPANY, INCORPORATED; RBC  
 CAPITAL MARKETS, LLC; KEYBANC  
 CAPITAL MARKETS INC.; COWEN AND  
 COMPANY, LLC; RAYMOND JAMES &  
 ASSOCIATES, INC.; CANACCORD  
 GENUITY LLC; EVERCORE GROUP L.L.C.;  
 PIPER JAFFRAY & CO.; JMP SECURITIES  
 LLC; WELLS FARGO SECURITIES, LLC;  
 KKR CAPITAL MARKETS LLC; ACADEMY  
 SECURITIES, INC.; BLAYLOCK VAN, LLC;  
 PENSERRA SECURITIES LLC; SIEBERT  
 CISNEROS SHANK & CO., L.L.C.; THE  
 WILLIAMS CAPITAL GROUP, L.P.;  
 CASTLEOAK SECURITIES, L.P.; C.L. KING  
 & ASSOCIATES, INC.; DREXEL HAMILTON,  
 LLC; GREAT PACIFIC SECURITIES; LOOP  
 CAPITAL MARKETS LLC; MISCHLER  
 FINANCIAL GROUP, INC.; SAMUEL A  
 RAMIREZ & COMPANY, INC.; R. SEELAUS  
 & CO., LLC; and TIGRESS FINANCIAL  
 PARTNERS LLC,

Defendants.

Case No. \_\_\_\_\_

**CLASS ACTION**

**COMPLAINT FOR VIOLATIONS  
 OF FEDERAL SECURITIES LAWS**

**DEMAND FOR JURY TRIAL**

2. Plaintiff, on behalf of the Class, brings claims against all Defendants for violations of Section 11 of the Securities Act of 1933 (the “Securities Act”).

3. The issuance of Lyft common stock in connection with the initial public offering (“IPO” or “Offering”) was registered under the Securities Act of 1933, as amended, pursuant to Lyft’s registration statement on Form S-1 (File No. 333-229996) declared effective on March 28, 2019 (the “Registration Statement”). This case arises from untrue statements of material fact as well as the omission of other facts necessary in order to make statements contained in the Registration Statement not materially false or misleading.

4. Lyft is a ridesharing company. Beginning in 2012, Lyft sought to revolutionize transportation by launching its peer-to-peer marketplace for on-demand ridesharing.

5. In November 2018, Lyft acquired Bikeshare Holdings LLC's ("Motivate") technology and corporate functions for \$251 million. In 2017, Motivate was the largest bikeshare operator in North America with revenue of approximately \$100 million. This acquisition enabled Lyft to add bikes to its suite of services. According to its Form S-1, Lyft acquired Motivate to

1 "establish a solid foothold in the bikeshare market and offer access to new transportation options  
2 on the Lyft Platform."  
3

4 6. On March 28, 2019, Lyft offered 32.5 million shares to the public through an IPO  
5 at a price of \$72.00 per share for total proceeds of \$2.34 billion.

6 7. According to the Registration Statement and Prospectus filed in connection with  
7 the IPO, Lyft estimated that its ridesharing marketplace "is available to over 95% of the U.S.  
8 population, as well as in select cities in Canada." Lyft represented that its "U.S. ridesharing market  
9 share was 39% in December 2018, up from 22% in December 2016."  
10

11 8. Lyft's focus on its market share gain and position were key selling points to IPO  
12 investors.

13 9. Unbeknownst to investors, however, the Registration Statement's representations  
14 were materially inaccurate, misleading, and/or incomplete because they failed to disclose, among  
15 other things, that: (1) Lyft's claimed ridesharing position was overstated; (2) more than 1,000 of  
16 the bicycles in Lyft's rideshare program suffered from safety issues that would lead to their recall;  
17 (3) Lyft's drivers were becoming disincentivized from driving for Lyft; and (4) Lyft failed to warn  
18 investors that a labor disruption could affect its operations.  
19

20 10. Accordingly, the price of the Company's shares was artificially and materially  
21 inflated at the time of the Offering.

22 11. As the true facts emerged in the wake of the Offering, the Company's shares fell  
23 sharply from \$72.00 to under \$57.00 on April 15, 2019.

24 12. By this action, Plaintiff, on behalf of himself and other Class Members who also  
25 acquired the Company's shares pursuant or traceable to the Offering, now seeks to obtain a  
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1 recovery for the damages suffered as a result of Defendants' violations of the Securities Act, as  
2 alleged herein.

3 13. The claims asserted herein are purely strict liability and negligence claims. Plaintiff  
4 expressly eschews any allegation sounding in fraud.  
5

### 6 JURISDICTION AND VENUE

7 14. The claims asserted herein arise under § 11 of the 1933 Act (15 U.S.C. §77k).

8 15. Jurisdiction is conferred by 28 U.S.C. § 1331 and § 22 of the Securities Act.

9 16. Venue is proper in this District pursuant to 28 U.S.C. §1391(b) and § 22 of the  
10 Securities Act as certain of the Defendants reside, are headquartered, and/or maintain operations,  
11 in this District. Defendants' wrongful acts also arose in and emanated from, in part, this District,  
12 including the dissemination of materially misleading statements into this District and the purchase  
13 of the Company's common stock by members of the Class (defined herein) who reside in this  
14 District.  
15

16 17. In connection with the acts, transactions, and conduct alleged in this Complaint,  
17 Defendants directly and indirectly used the means and instrumentalities of interstate commerce,  
18 including the United States mail, interstate telephone communications, and the facilities of a  
19 national securities exchange.  
20

#### 21 A. Plaintiff

22 18. Plaintiff purchased 50 shares of the Company's common stock on March 29, 2019,  
23 at a price of \$72.00 per share. These shares were issued pursuant and traceable to the Registration  
24 Statement and Offering, and Plaintiff was damaged thereby.  
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**B. Defendants**

19. Defendant Lyft is a transportation network company based in San Francisco, California. Lyft's shares are listed and trade on the NASDAQ under the ticker symbol "LYFT." Lyft operates a peer-to-peer marketplace for on-demand ridesharing, including access to motor vehicles, shared bikes, and shared scooters.

20. At the time of the IPO, Defendant Green, who co-founded the Company with Defendant Zimmer, was serving as Chief Executive Officer and as a director on Lyft's board of directors (the "Board"). Defendant Green participated in the preparation of and signed the Registration Statement.

21. At the time of the IPO, Defendant Zimmer, who co-founded the Company with Defendant Green, was serving as President and Vice Chairman of the Board. Defendant Zimmer participated in the preparation of and signed the Registration Statement.

22. At the time of the IPO, Defendant Brian Roberts ("Roberts") was serving as Chief Financial Officer. Defendant Roberts participated in the preparation of and signed the Registration Statement.

23. At the time of the IPO, Defendant Prashant (Sean) Aggarwal ("Aggarwal") was serving as Chairman of the Lyft Board. Defendant Aggarwal participated in the preparation of and signed the Registration Statement.

24. At the time of the IPO, Defendant Ben Horowitz ("Horowitz") was a director on the Lyft Board. Defendant Horowitz participated in the preparation of and signed the Registration Statement.

25. At the time of the IPO, Defendant Valerie Jarrett ("Jarrett") was a director on the Lyft Board. Defendant Jarrett participated in the preparation of and signed the Registration Statement.

26. At the time of the IPO, Defendant David Lawee ("Lawee") was a director on the Lyft Board. Defendant Lawee participated in the preparation of and signed the Registration Statement.

27. At the time of the IPO, Defendant Hiroshi Mikitani ("Mikitani") was a director on the Lyft Board. Defendant Mikitani participated in the preparation of and signed the Registration Statement.

28. At the time of the IPO, Defendant Ann Miura-Ko ("Miura-Ko") was a director on the Lyft Board. Defendant Miura-Ko participated in the preparation of and signed the Registration Statement.

29. At the time of the IPO, Defendant Mary Agnes (Maggie) Wilderotter ("Wilderotter") was a director on the Lyft Board. Defendant Wilderotter participated in the preparation of and signed the Registration Statement.

30. Defendants Green, Zimmer, Roberts, Aggarwal, Christodoro, Horowitz, Jarrett, Lawee, Mikitani, Miura-Ko, and Wilderotter are collectively referred to herein as the "Individual Defendants."

31. The following underwriters were also instrumental in soliciting and making the stock offered in the IPO available to the investing public:

Name	Number of Shares
JP Morgan Securities	10,400,00
Credit Suisse Securities (USA) LLC	8,775,000
Jefferies LLC	4,387,500

1	UBS Securities LLC	1,982,500
2	Stifel, Nicolaus & Company, Incorporated	1,300,000
3	RBC Capital Markets, LLC	1,462,500
4	KeyBanc Capital Markets, Inc.	1,462,500
5	Cowen and Company, LLC	325,000
6	Raymond James & Associates, Inc.	325,000
7	Canaccord Genuity LLC	260,000
8	Evercore Group, LLC	260,000
9	Piper Jaffray & Co.	260,000
10	JMP Securities LLC	227,500
11	Wells Fargo Securities	227,500
12	KKR Capital Markets, LLC	81,250
13	Academy Securities, Inc.	65,000
14	Blaylock Van, LLC	65,000
15	Penserra Securities LLC	65,000
16	Siebert Cisneros Shank & Co., LLC	65,000
17	The Williams Capital Group, LP	65,000
18	CastleOak Securities, LP	48,750
19	CL King & Associates, Inc.	48,750
20	Drexel Hamilton	48,750
21	Great Pacific Securities	48,750
22	Loop Capital Markets LLC	48,750
23	Mischler Financial Group, Inc.	48,750
24	Samuel A. Ramirez & Company, Inc.	48,750
25	R Seelaus & Co., LLC	48,750
26	Tigress Financial Partners, LLC	48,750

32. Defendant J.P. Morgan Securities LLC ("J.P. Morgan") was an underwriter of the Company's Offering, serving as a financial advisor for and assisting in the preparation and dissemination of the Company's false and misleading Registration Statement and Prospectus. J.P. Morgan acted as a representative of all the underwriters. J.P. Morgan also participated in conducting and promoting the roadshow for the Offering and paying for the expenses of the Individual Defendants who participated in the roadshow, including lodging and travel, among other expenses. J.P. Morgan's participation in the solicitation of the Offering was motivated by its financial interests. Defendant J.P. Morgan conducts business in the State of California.

33. Defendant Credit Suisse Securities (USA) LLC ("Credit Suisse") was an underwriter of the Company's Offering, serving as a financial advisor for and assisting in the preparation and dissemination of the Company's false and misleading Registration Statement and

1 Prospectus. Credit Suisse acted as a representative of all the underwriters. Credit Suisse also  
2 participated in conducting and promoting the roadshow for the Offering and paying for the  
3 expenses of the Individual Defendants who participated in the roadshow, including lodging and  
4 travel, among other expenses. Credit Suisse's participation in the solicitation of the Offering was  
5 motivated by its financial interests. Defendant Credit Suisse conducts business in the State of  
6 California.  
7

8 34. Defendant Jefferies LLC ("Jefferies") was an underwriter of the Company's  
9 Offering, serving as a financial advisor for and assisting in the preparation and dissemination of  
10 the Company's false and misleading Registration Statement and Prospectus. Jefferies acted as a  
11 representative of all the underwriters. Jefferies also participated in conducting and promoting the  
12 roadshow for the Offering and paying for the expenses of the Individual Defendants who  
13 participated in the roadshow, including lodging and travel, among other expenses. Jefferies'  
14 participation in the solicitation of the Offering was motivated by its financial interests. Defendant  
15 Jefferies conducts business in the State of California.  
16

17 35. Defendant UBS Securities LLC ("UBS") was an underwriter of the Company's  
18 Offering, serving as a financial advisor for and assisting in the preparation and dissemination of  
19 the Company's false and misleading Registration Statement and Prospectus. UBS also participated  
20 in conducting and promoting the roadshow for the Offering and paying for the expenses of the  
21 Individual Defendants who participated in the roadshow, including lodging and travel, among  
22 other expenses. UBS's participation in the solicitation of the Offering was motivated by its  
23 financial interests. Defendant UBS conducts business in the State of California.  
24

25 36. Defendant Stifel, Nicolaus & Company, Incorporated ("Stifel Nicolaus") was an  
26 underwriter of the Company's Offering, serving as a financial advisor for and assisting in the  
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1 preparation and dissemination of the Company's false and misleading Registration Statement and  
2 Prospectus. Stifel Nicolaus also participated in conducting and promoting the roadshow for the  
3 Offering and paying for the expenses of the Individual Defendants who participated in the  
4 roadshow, including lodging and travel, among other expenses. Stifel Nicolaus' participation in  
5 the solicitation of the Offering was motivated by its financial interests. Defendant Stifel Nicolaus  
6 conducts business in the State of California.  
7

8 37. Defendant RBS Capital Markets, LLC ("RBS") was an underwriter of the  
9 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
10 dissemination of the Company's false and misleading Registration Statement and Prospectus. RBS  
11 also participated in conducting and promoting the roadshow for the Offering and paying for the  
12 expenses of the Individual Defendants who participated in the roadshow, including lodging and  
13 travel, among other expenses. RBS's participation in the solicitation of the Offering was motivated  
14 by its financial interests. Defendant RBS conducts business in the State of California.  
15

16 38. Defendant KeyBanc Capital Markets Inc. ("KeyBanc") was an underwriter of the  
17 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
18 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
19 KeyBanc also participated in conducting and promoting the roadshow for the Offering and paying  
20 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
21 and travel, among other expenses. KeyBanc's participation in the solicitation of the Offering was  
22 motivated by its financial interests. Defendant Key Banc conducts business in the State of  
23 California.  
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25 39. Defendant Cowen and Company, LLC ("Cowen") was an underwriter of the  
26 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
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1 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
2 Cowen also participated in conducting and promoting the roadshow for the Offering and paying  
3 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
4 and travel, among other expenses. Cowen's participation in the solicitation of the Offering was  
5 motivated by its financial interests. Defendant Cowen conducts business in the State of California.  
6

7 40. Defendant Raymond James & Associates, Inc. ("Raymond James") was an  
8 underwriter of the Company's Offering, serving as a financial advisor for and assisting in the  
9 preparation and dissemination of the Company's false and misleading Registration Statement and  
10 Prospectus. Raymond James also participated in conducting and promoting the roadshow for the  
11 Offering and paying for the expenses of the Individual Defendants who participated in the  
12 roadshow, including lodging and travel, among other expenses. Raymond James's participation in  
13 the solicitation of the Offering was motivated by its financial interests. Defendant Raymond James  
14 conducts business in the State of California.  
15

16 41. Defendant Canaccord Genuity LLC ("Canaccord") was an underwriter of the  
17 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
18 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
19 Canaccord also participated in conducting and promoting the roadshow for the Offering and paying  
20 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
21 and travel, among other expenses. Canaccord's participation in the solicitation of the Offering was  
22 motivated by its financial interests. Defendant Canaccord conducts business in the State of  
23 California.  
24

25 42. Defendant Evercore Group L.L.C. ("Evercore") was an underwriter of the  
26 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
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1 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
2 Evercore also participated in conducting and promoting the roadshow for the Offering and paying  
3 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
4 and travel, among other expenses. Evercore's participation in the solicitation of the Offering was  
5 motivated by its financial interests. Defendant Evercore conducts business in the State of  
6 California.  
7

8 43. Defendant Piper Jaffray & Co. ("Piper Jaffray") was an underwriter of the  
9 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
10 dissemination of the Company's false and misleading Registration Statement and Prospectus. Piper  
11 Jaffray also participated in conducting and promoting the roadshow for the Offering and paying  
12 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
13 and travel, among other expenses. Piper Jaffray's participation in the solicitation of the Offering  
14 was motivated by its financial interests. Defendant Piper Jaffray conducts business in the State of  
15 California.  
16

17 44. Defendant JMP Securities LLC ("JMP") was an underwriter of the Company's  
18 Offering, serving as a financial advisor for and assisting in the preparation and dissemination of  
19 the Company's false and misleading Registration Statement and Prospectus. JMP also participated  
20 in conducting and promoting the roadshow for the Offering and paying for the expenses of the  
21 Individual Defendants who participated in the roadshow, including lodging and travel, among  
22 other expenses. JMP's participation in the solicitation of the Offering was motivated by its financial  
23 interests. Defendant JMP conducts business in the State of California.  
24

25 45. Defendant Wells Fargo Securities, LLC ("Wells Fargo") was an underwriter of the  
26 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
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1 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
2 Wells Fargo also participated in conducting and promoting the roadshow for the Offering and  
3 paying for the expenses of the Individual Defendants who participated in the roadshow, including  
4 lodging and travel, among other expenses. Well Fargo's participation in the solicitation of the  
5 Offering was motivated by its financial interests. Defendant Wells Fargo conducts business in the  
6 State of California.  
7

8 46. Defendant KKR Capital Markets LLC ("KKR") was an underwriter of the  
9 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
10 dissemination of the Company's false and misleading Registration Statement and Prospectus. KKR  
11 also participated in conducting and promoting the roadshow for the Offering and paying for the  
12 expenses of the Individual Defendants who participated in the roadshow, including lodging and  
13 travel, among other expenses. KKR's participation in the solicitation of the Offering was motivated  
14 by its financial interests. Defendant KKR conducts business in the State of California.  
15

16 47. Defendant Academy Securities, Inc. ("Academy") was an underwriter of the  
17 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
18 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
19 Academy also participated in conducting and promoting the roadshow for the Offering and paying  
20 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
21 and travel, among other expenses. Academy's participation in the solicitation of the Offering was  
22 motivated by its financial interests. Defendant Academy conducts business in the State of  
23 California.  
24

25 48. Defendant Blaylock Van, LLC ("Blaylock") was an underwriter of the Company's  
26 Offering, serving as a financial advisor for and assisting in the preparation and dissemination of  
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1 the Company's false and misleading Registration Statement and Prospectus. Blaylock also  
2 participated in conducting and promoting the roadshow for the Offering and paying for the  
3 expenses of the Individual Defendants who participated in the roadshow, including lodging and  
4 travel, among other expenses. Blaylock's participation in the solicitation of the Offering was  
5 motivated by its financial interests. Defendant Blaylock conducts business in the State of  
6 California.  
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8 49. Defendant Penserra Securities LLC ("Penserra") was an underwriter of the  
9 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
10 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
11 Penserra also participated in conducting and promoting the roadshow for the Offering and paying  
12 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
13 and travel, among other expenses. Penserra's participation in the solicitation of the Offering was  
14 motivated by its financial interests. Defendant Penserra conducts business in the State of  
15 California.  
16

17 50. Defendant Siebert Cisneros Shank & Co., L.L.C ("Siebert") was an underwriter of  
18 the Company's Offering, serving as a financial advisor for and assisting in the preparation and  
19 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
20 Siebert also participated in conducting and promoting the roadshow for the Offering and paying  
21 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
22 and travel, among other expenses. Siebert's participation in the solicitation of the Offering was  
23 motivated by its financial interests. Defendant Siebert conducts business in the State of California.  
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25 51. Defendant The Williams Capital Group, L.P. ("Williams Capital") was an  
26 underwriter of the Company's Offering, serving as a financial advisor for and assisting in the  
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1 preparation and dissemination of the Company's false and misleading Registration Statement and  
2 Prospectus. Williams Capital also participated in conducting and promoting the roadshow for the  
3 Offering and paying for the expenses of the Individual Defendants who participated in the  
4 roadshow, including lodging and travel, among other expenses. Williams Capital's participation in  
5 the solicitation of the Offering was motivated by its financial interests. Defendant Williams Capital  
6 conducts business in the State of California.  
7

8 52. Defendant CastleOak Securities, L.P. ("CastleOak") was an underwriter of the  
9 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
10 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
11 CastleOak also participated in conducting and promoting the roadshow for the Offering and paying  
12 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
13 and travel, among other expenses. CastleOak's participation in the solicitation of the Offering was  
14 motivated by its financial interests. Defendant CastleOak conducts business in the State of  
15 California.  
16

17 53. Defendant C.L. King & Associates, Inc. ("C.L. King") was an underwriter of the  
18 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
19 dissemination of the Company's false and misleading Registration Statement and Prospectus. C.L.  
20 King also participated in conducting and promoting the roadshow for the Offering and paying for  
21 the expenses of the Individual Defendants who participated in the roadshow, including lodging  
22 and travel, among other expenses. C.L. King's participation in the solicitation of the Offering was  
23 motivated by its financial interests. Defendant C.L. King conducts business in the State of  
24 California.  
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1           54. Defendant Drexel Hamilton, LLC ("Drexel") was an underwriter of the Company's  
2 Offering, serving as a financial advisor for and assisting in the preparation and dissemination of  
3 the Company's false and misleading Registration Statement and Prospectus. Drexel also  
4 participated in conducting and promoting the roadshow for the Offering and paying for the  
5 expenses of the Individual Defendants who participated in the roadshow, including lodging and  
6 travel, among other expenses. Drexel's participation in the solicitation of the Offering was  
7 motivated by its financial interests. Defendant Drexel conducts business in the State of California.  
8

9           55. Defendant Great Pacific Securities ("Great Pacific") was an underwriter of the  
10 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
11 dissemination of the Company's false and misleading Registration Statement and Prospectus. Great  
12 Pacific also participated in conducting and promoting the roadshow for the Offering and paying  
13 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
14 and travel, among other expenses. Great Pacific's participation in the solicitation of the Offering  
15 was motivated by its financial interests. Defendant Great Pacific conducts business in the State of  
16 California.  
17

18           56. Defendant Loop Capital Markets LLC ("Loop Capital") was an underwriter of the  
19 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
20 dissemination of the Company's false and misleading Registration Statement and Prospectus. Loop  
21 Capital also participated in conducting and promoting the roadshow for the Offering and paying  
22 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
23 and travel, among other expenses. Loop Capital's participation in the solicitation of the Offering  
24 was motivated by its financial interests. Defendant Loop Capital conducts business in the State of  
25 California.  
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1           57. Defendant Mischler Financial Group, Inc. ("Mischler") was an underwriter of the  
2 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
3 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
4 Mischler also participated in conducting and promoting the roadshow for the Offering and paying  
5 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
6 and travel, among other expenses. Mischler's participation in the solicitation of the Offering was  
7 motivated by its financial interests. Defendant Mischler conducts business in the State of  
8 California.  
9

10           58. Defendant Samuel A. Ramirez & Company, Inc. ("Ramirez") was an underwriter  
11 of the Company's Offering, serving as a financial advisor for and assisting in the preparation and  
12 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
13 Ramirez also participated in conducting and promoting the roadshow for the Offering and paying  
14 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
15 and travel, among other expenses. Ramirez's participation in the solicitation of the Offering was  
16 motivated by its financial interests. Defendant Ramirez conducts business in the State of  
17 California.  
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19           59. Defendant R. Seelaus & Co, LLC ("Seelaus") was an underwriter of the Company's  
20 Offering, serving as a financial advisor for and assisting in the preparation and dissemination of  
21 the Company's false and misleading Registration Statement and Prospectus. Seelaus also  
22 participated in conducting and promoting the roadshow for the Offering and paying for the  
23 expenses of the Individual Defendants who participated in the roadshow, including lodging and  
24 travel, among other expenses. Seelaus's participation in the solicitation of the Offering was  
25 motivated by its financial interests. Defendant Seelaus conducts business in the State of California.  
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1           60. Defendant Tigress Financial Partners LLC ("Tigress") was an underwriter of the  
2 Company's Offering, serving as a financial advisor for and assisting in the preparation and  
3 dissemination of the Company's false and misleading Registration Statement and Prospectus.  
4 Tigress also participated in conducting and promoting the roadshow for the Offering and paying  
5 for the expenses of the Individual Defendants who participated in the roadshow, including lodging  
6 and travel, among other expenses. Tigress's participation in the solicitation of the Offering was  
7 motivated by its financial interests. Defendant Tigress conducts business in the State of California.  
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9           61. The Defendants in paragraphs 32-60 are collectively referred to herein as the  
10 "Underwriter Defendants." Lyft, the Individual Defendants, and the Underwriter Defendants are  
11 collectively referred to herein as the "Defendants."  
12

13           62. Pursuant to the Securities Act, the Underwriter Defendants are liable for the false  
14 and misleading statements in the Offering's Registration Statement and Prospectus. The  
15 Underwriter Defendants' failure to conduct adequate due diligence investigations was a substantial  
16 factor leading to the harm complained of herein.

17           63. The Underwriter Defendants are primarily investment banking houses that  
18 specialize, among other things, in underwriting public offerings of securities. As the underwriters  
19 of the Offering, the Underwriter Defendants earned lucrative underwriting fees as a result of their  
20 participation in the Offering.  
21

22           64. In addition, the Underwriter Defendants met with potential investors and presented  
23 highly favorable, but materially incorrect and/or materially misleading, information about the  
24 Company, its business, products, plans, and financial prospects, and/or omitted to disclose material  
25 information required to be disclosed under the federal securities laws and applicable regulations  
26 promulgated thereunder.  
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1 Company's bike sharing business, and labor all of which were known to, but concealed by,  
2 Defendants at the time of the IPO.

3 69. The Registration Statement made the following representations concerning Lyft's  
4 business and market share:  
5

6 Our values, brand, innovation and focused execution have driven  
7 significant growth in market share and in the number of users on our  
8 platform. As ridesharing becomes more mainstream, we believe that  
9 users are increasingly choosing a ridesharing platform based on  
10 brand affinity and value alignment. Our U.S. ridesharing market  
11 share was 39% in December 2018, up from 22% in December 2016.  
12 This growth comes from both new drivers and riders as well as  
13 increased ride frequency. For the quarter ended December 31, 2018,  
14 we had 8.6 million Active Riders and over 1.1 million drivers who  
15 provided rides.<sup>1</sup>

16 Our revenue was \$343.3 million, \$1.1 billion and \$2.2 billion in  
17 2016, 2017 and 2018, respectively, representing year-over-year  
18 growth of 209% from 2016 to 2017 and 103% from 2017 to 2018.

19 70. The Registration Statement reaffirmed these representations by making the  
20 following statements concerning Lyft's business and market share:  
21

22 We operate in a competitive market and must continue to compete  
23 effectively in order to grow, improve our results of operations and  
24 achieve and maintain long-term profitability. We are one of the  
25 largest and fastest growing multimodal transportation networks in  
26 the United States and Canada. Our main ridesharing competitors in  
27 the United States and Canada include Uber, Gett (Juno) and Via.  
28 Our main competitors in the bike and scooter sharing market include  
Uber (Jump), Lime and Bird. We also compete with taxi cab and  
livery companies, traditional automotive manufacturers and  
developers of autonomous vehicle technology that may compete  
with us in the future, including Alphabet (Waymo). Although we  
face intense competition, our values, brand, innovation and focused  
execution have driven increased ridesharing market share in the  
United States, growing from 22% in December 2016 to 39% in  
December 2018.

---

<sup>1</sup> According to the Registration Statement, "Active Riders" is defined as "all riders who take at least one ride on [Lyft's] multimodal platform through the Lyft app during a quarter." Importantly, for Lyft's "acquired businesses, including Motivate, only riders that have taken a ride or rented a bike or scooter through [the] Lyft app during the quarter will count as an Active Rider."

1  
2 71. The Registration Statement also addressed Motivate, making the following  
3 representations concerning the purpose behind the Company's acquisition of the bike sharing  
4 outfit:

5  
6 We are investing in the expansion of our scooter network and have  
7 expanded into shared bikes with our recent acquisition of Motivate,  
8 the largest bike sharing platform in the United States.

9 \* \* \*

10 On November 30, 2018 (the Closing Date), the Company completed  
11 its acquisition of Motivate, a New York-headquartered bikeshare  
12 company, for cash consideration of \$250.9 million. The purpose of  
13 the acquisition is to establish a solid foothold in the bikeshare  
14 market and offer access to new transportation options on the Lyft  
15 Platform.

16 \* \* \*

17 Lyft bikes are standard and electric pedal-assist bicycles. Through  
18 our acquisition of Motivate, the largest bike sharing platform in the  
19 United States, we are well-positioned to lead sustainable mobility in  
20 the markets we serve. This platform brings expertise in managing  
21 bike share systems in partnership with cities and local governments  
22 across the country, currently operating in nine major cities across  
23 the United States. In 2017, there were more than 35 million bike  
24 share trips in the United States, of which 74% were on Motivate  
25 systems.

26 72. The Registration Statement also addressed Lyft's treatment of its drivers stating:

27 Driver-Centric. We focus on providing drivers with a best-in-class  
28 experience. From day one, we offered in-app tipping to help drivers  
maximize earnings. Drivers have access to 24/7 support and  
earnings tools as well as career coaches, education resources and  
flexible car rental programs. We are also making significant  
investments in Driver Hubs, our driver-centric service centers and  
community spaces, to assist drivers on and off the road. We also  
introduced subscription offerings to encourage greater ride  
frequency, thereby providing more earning opportunities for drivers.

\* \* \*

Personalized, Data-Driven Insights. We have collected data from  
over one billion rides and over ten billion miles driven to inform our  
machine learning algorithms and data science engines. We leverage  
insights from this data to improve the product experience for riders

1 by presenting them with personalized transportation options. Our  
2 data insights also allow us to anticipate market specific demand,  
3 enabling us to create customized incentives for drivers in local  
4 markets. We enable riders to optimize routes across multiple modes  
5 of transportation which we believe provides us with a significant  
6 advantage over single modality provider

7 \* \* \*

8 Ridesharing Marketplace. Our core offering since 2012 connects  
9 drivers with riders who need to get somewhere. The scale of our  
10 network enables us to predict demand and proactively incentivize  
11 drivers to be available for rides in the right place at the right time.  
12 This allows us to optimize earning opportunities for drivers and  
13 convenience for riders, creating sustainable value to both sides of  
14 our marketplace.

15 \* \* \*

#### 16 Key Benefits to Drivers

17 We work hard to serve the community of drivers on our platform,  
18 empowering them to be their own bosses and providing them the  
19 opportunity to focus their time on what matters most. Key benefits  
20 to drivers on our platform include:

21 • Flexibility. Whether someone is fully-employed or retired, having  
22 the flexibility to work when they choose can make a big difference.  
23 Drivers can sign up for Lyft easily from their device of choice. After  
24 background and safety checks are completed and their application is  
25 approved, they can start earning. Drivers can choose to get paid  
26 almost instantly with Express Pay or choose to have their earnings  
27 deposited on a weekly basis. In select cities, drivers who do not own  
28 a vehicle can get a flexible car rental with our Express Drive  
program in partnership with Hertz, Flexdrive and Avis Budget  
Group.

• Income. Drivers have earned over \$10 billion on our platform since  
inception. Our predictive technology around ride volume and  
demand enables us to share key information with drivers about when  
and where to drive in order to maximize their earnings on a real-  
time basis.

• Trust and Safety. Safety is our top priority, and establishing a  
community built on trust and safety is paramount to our success. We  
were the first to provide up to \$1 million in commercial automobile  
liability insurance for Transportation Network Company, or TNC,  
delivers from the moment they are matched with a rider until that  
rider is dropped off. We also provide drivers support in emergency  
situations and accidents. In addition, all riders using the Lyft app  
must provide valid payment credentials and a phone number for  
identification purposes prior to requesting a ride. All transactions  
are processed through our platform, so drivers do not need to worry  
about carrying cash.

• Extensive Support. We invest heavily in driver support and are continuously innovating to improve driver experiences. Our Driver Hubs and field locations in major cities serve as gathering places and offer in person support and a personal connection to Lyft employees. In addition, drivers have access to 24/7 support and earnings tools, as well as career coaches, education resources and other support to meet their personal goals.

\* \* \*

#### Our Growth Strategy

\* \* \*

Invest in Technology to Strengthen Our Network and Increase Efficiency. Our investments in proprietary technologies and predictive analytics leverage insights derived from the rich set of data generated by our platform. These investments allow us to deliver an affordable, convenient and high-quality experience for our riders and increase the earnings of drivers. Our investments in mapping, routing, payments, in-app navigation and matching technologies are key to integrating technology and leveraging data science into our platform in order to increase the efficiency of our platform and improve safety. In addition, we are investing in autonomous technology, which we believe will be a critical part of the future of transportation.

\* \* \*

#### Optimizing Marketplace Supply

Once drivers sign up and begin driving, our predictive analytics and dynamic pricing algorithms help us to align driver incentives to encourage drivers to be available, at the right times, in areas of high demand. This helps provide drivers with potentially higher earning opportunities by allowing them to maximize their earnings per hour, which can elevate driver satisfaction, increase supply in peak hours and improve the overall efficiency of the marketplace.

73. In the lead-up to the IPO, to increase the Company's reported revenues and profits, Lyft had caused its ridesharing app to begin charging higher "surge pricing" more often than it had previously been doing, and caused the app to retain a higher portion of the additional revenue without sharing a proportionate share with drivers. This led to decreased payment to drivers, disincentivizing them to drive for Lyft, and potentially damaging the business on a long-term basis.

1 As a result, Lyft's business metrics, growth potential, and financial prospects were not as strong as  
2 presented in the Offering Materials.

3 74. The Registration Statement also failed to warn investors of the potential for a labor  
4 disruption notwithstanding the fact that on Monday, March 25, 2019, Lyft's drivers in Los Angeles  
5 had gone on strike for 25 hours.  
6

7 75. The foregoing statements were materially inaccurate, misleading, and/or  
8 incomplete because they failed to disclose that: (1) Lyft's claimed ridesharing position was  
9 overstated; (2) more than 1,000 of the bicycles in Lyft's rideshare program suffered from safety  
10 issues that would lead to their recall; (3) Lyft's drivers were becoming disincentivized from driving  
11 for Lyft; and (4) Lyft failed to warn investors that a labor disruption could affect its operations.  
12

13 76. For the foregoing reasons, in addition to being false and misleading because of  
14 affirmative false and misleading statements and omissions, Lyft's Offering Documents were also  
15 misleading by failing to disclose the truth about the Company's market share and how and why its  
16 bike sharing business was not performing in violation of 17 C.F.R. § 229.303 ("Item 303").

17 77. The true facts regarding the Offering Documents began to emerge after the  
18 Offering. In the immediate wake of the Offering, Lyft's stock price declined as investors raised  
19 concerns that Lyft's reported market share may have been overstated. Investor concerns were  
20 exacerbated on April 10, 2019, by reports that Uber, Lyft's much larger competitor, was preparing  
21 to file for an initial public offering.  
22

23 78. Then, on April 11, 2019, after the close of the market, Uber filed its Form S-1 with  
24 the SEC. Uber's Form S-1 claimed a market share of greater than 65% in the United States and  
25 Canada, a claim that further undermined Lyft's purported claim of 39% market share.  
26  
27  
28

79. Further, on April 15, 2019, the New York Times reported that Citi Bike was taking out of service 1,000 bicycles in New York, and more in Washington, D.C., and San Francisco in the wake of dozens of reported injuries and safety concerns.

80. In response to these revelations, the Company's shares fell sharply to under \$57.00.

81. The true facts regarding the Offering Documents continued to emerge after the Offering. On May 6, 2019, Lyft's stock price fell 3.2% following revelations that Lyft drivers were planning to go on strike on Wednesday, May 8, 2019.

### CLASS ACTION ALLEGATIONS

82. Plaintiff brings this action individually and as a class action on behalf of all persons or entities other than Defendants who purchased Lyft's common stock pursuant to or traceable to Lyft's Initial Public Offering (the "IPO") on March 28, 2019.

83. This action is properly maintainable as a class action.

84. The Class is so numerous that joinder of all members is impracticable. Millions of shares were sold by Lyft in the IPO. Consequently, the number of Class members is believed to be in the thousands and are likely scattered across the United States. Moreover, damages suffered by individual Class members may be small, making it overly expensive and burdensome for individual Class members to pursue redress on their own.

85. There are questions of law and fact that are common to the Class and that predominate over questions affecting any individual Class member. The common questions include, inter alia:

- a. whether the Registration Statement contained untrue statements of material fact;
- b. whether the Individual Defendants signed the Registration Statement; and



1 c. whether the Underwriter Defendants acted as underwriters.

2 86. Plaintiff's claims are typical of the claims of the other members of the Class and  
3 Plaintiff does not have any interests adverse to the Class.

4 87. Plaintiff is an adequate representative of the Class, has retained competent counsel  
5 experienced in litigation of this nature, and will fairly and adequately protect the interests of the  
6 Class.

7 88. The prosecution of separate actions by individual members of the Class would  
8 create a risk of inconsistent or varying adjudications with respect to individual members of the  
9 Class, which would establish incompatible standards of conduct for Defendants; or adjudications  
10 with respect to individual members of the Class would, as a practical matter, be dispositive of the  
11 interest of other members or substantially impair or impede their ability to protect their interests.

12 89. There will be no difficulty in the management of this litigation. A class action is  
13 superior to other available methods for the fair and efficient adjudication of this controversy.

14 90. Defendants have acted on grounds generally applicable to the Class with respect to  
15 the matters complained of herein, thereby making appropriate the relief sought herein with respect  
16 to the Class as a whole.

17  
18  
19 **COUNT ONE**

20 **VIOLATION OF SECTION 11 OF THE SECURITIES ACT**  
21 **AGAINST ALL DEFENDANTS**

22 91. Plaintiff repeats and realleges each and every allegation contained above as if fully  
23 set forth herein.

24 92. The Registration Statement contained untrue statements of material facts, omitted  
25 to state other facts necessary to make the statements made not misleading, and omitted material  
26 facts required to be stated therein.



1           4.       For costs of suit herein; and

2           5.       For such further relief as this Court may deem just and proper.

3                               **DEMAND FOR A JURY TRIAL**

4           Plaintiff hereby demands a trial by jury on all counts so triable.

5  
6  
7       May 17, 2019

**BLOCK & LEVITON LLP**

8  
9                               /s/ Jacob A. Walker

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